SCESF Report on the Economic Status of the Faculty

Fiscal Year 2019
July 1, 2018 through June 30, 2019

I. Introduction

The Senate Committee on the Economic Status of the Faculty (SCESF) is charged by the "Rules of the Faculty Senate" to:

• Gather and organize data on faculty salaries and benefits;
• Issue an annual report on the economic status of the faculty; and
• Represent the faculty in the determination of University policy on salary issues.

The focus of this report is the current economic status of the faculty, based on salary and benefits data provided to the committee by Provost's Office, prepared by the Offices of Institutional Research & Analysis and Human Resources. The data as provided to SCESF preserve anonymity of individuals. Benefits data were provided by Human Resources; additional data were extracted from publicly available websites.

Salaries discussed in this report pertain to the aggregated 9-month (academic year) base salary in Fiscal Year 2018 (July 1, 2018, through June 30, 2019) data for the 1,327 members of the tenure-line faculty (763 Professors, 262 Associate Professors, and 302 Assistant Professors). The salaries of deans and faculty on phased retirement are excluded. As in past years, these data also exclude tenure-line faculty from the Perelman School of Medicine (PSOM), except for those in the basic sciences; as well as the roughly 1,000 Clinician Educators in the Standing Faculty from the Perelman School of Medicine, and the Schools of Dental Medicine, Veterinary Medicine, and Nursing.

An academic year base salary is that paid for the normal academic duties of a Standing Faculty member (teaching, research, and service) for a nine-month academic year, irrespective of whether the salary is disbursed over a nine- or twelve-month period, or paid from General Operating Funds and/or from Designated Funds. In the four healthcare schools listed above, which have some or all Standing Faculty on a 12-month or "annualized" base, salaries have been adjusted to be comparable with salaries reported on a 9-month basis.

"Summer money"—additional income paid from various sources for all or parts of up to three summer months, and which varies in function of (a) School and (b) faculty effort—is not included in the academic year base salaries analyzed and reported here, nor are other emoluments.

Section VI details SCESF's conclusions and recommendations.

All publicly viewable tables provided to the Committee by the Office of the Vice Provost for Faculty are published on the *Almanac* website at *https://almanac.upenn.edu/uploads/media/SCESF_full_report_2020.pdf*

II. Challenges to Effective Assessment

The challenge in assessing the state of faculty compensation at Penn begins with the fact that the faculty come from different fields that have different labor markets. We are also spread across different schools with different missions and different requirements for faculty in those schools: someone with the same PhD degree, for example, may be working on quite different topics with different peers and audiences that together constitute different labor markets where wages are not the same. They also may be doing different work and may effectively be in different labor markets at different points in their careers when they hold different ranks.

As a practical matter our task as a Committee is not to assess the overall appropriateness and fairness of compensation. Instead, it is the more limited task of assessing changes in compensation year-to-year.[1]

The challenge with that task starts with the index number problem, in this case, the fact that the composition of faculty changes across fields, schools, and labor markets over time. Average pay at Penn could change because the mix of faculty across fields and labor markets changes even if the pay for each individual faculty member remained unchanged.

Change in average pay is not the only factor worth considering, of course. We are also interested in the distribution of pay and the extent to which increases are spread widely, narrowly, and equally across faculty. Those outcomes are much more within the control of administrators at the school level. We understand that determining which are appropriate criteria to use to determine the distribution of salary budgets is a challenging decision, and we have no information as to the criteria being used. We can report what the distributions look like, however.

1 SCESF's charge is to "gather and organize data on salaries and benefits and represents the faculty in the determination of University policy on salary issues."

III. Reconciliation of Operating Budget with Data Provided to SCESF

The most important development this year is that we have resolved a long-standing concern of the Committee: to address the apparent disconnect between the compensation data the Committee receives, which is for base salaries, and the overall University budget[2] for faculty compensation, which is more than twice that amount. Our concern has been to understand: where is the rest of it going? Thanks to Vice Provost for Faculty Anita Allen and Vice President of Budget and Management Analysis Trevor Lewis, we have answered that question. The difference is accounted for by the fact that Standing Faculty Clinician Educators are not included in the data we receive.

Specifically, the University reports that we have 4,793 total faculty of which 2,753 are Standing Faculty[3]. The base salary data that we receive is for 1,327 Standing Faculty. Therefore, there are 1,426 Standing Faculty whose compensation is not included in the measures of base salary that are presented to us. These excluded faculty are virtually all Clinician Educators in the four health schools. The remainder of the total faculty compensation budget includes pay in the form of stipends of various kinds and the pay of post-doctoral researchers and graduate student workers.

SCESF received a briefing from the Office of Budget and Management Analysis on the broader university budget for faculty compensation and the items within it. One of the questions this answered for us was the concern raised in the past as to whether compensation in the form of administrative stipends for faculty taking on administrative work might be widely and unevenly used. The answer appears to be no: the total amount spent on these stipends is minimal.

IV. Caveats

The first caveat to our report, therefore, is that we cannot draw any conclusions about the compensation of Clinician Educators, who are actually the majority of the Standing Faculty at Penn. We understand that their pay varies in part on the delivery of services, but as with other Standing Faculty, they have an academic base salary on which additional pay for delivering clinical care is added. Evaluating their base salary should be no different than evaluating the salary data for the other faculty that we do now. The Committee is concerned that our report ignores the experience of this majority group of our faculty.

The second caveat is that the information we have is only for base salaries. They are important because they are the basis for most employee benefits, and they are also the component of pay to which annual increases are applied. In addition to base salary, total compensation includes summer support pay, compensation for clinical work, administrative stipends, pay for extra teaching, and so forth. We can offer no conclusions about the state of total compensation for faculty as we have no data on it.

V. Review of Data Provided to SCESF

Turning to what we can say: we can assess the change in base salaries for faculty over this past year, beginning with how the change compares to the situation in the broader economy and labor market. The first question is how our increases have kept up with the cost of living, or what we can buy with it. The Consumer Price Index is the Federal Government's measure of changes in inflation, and it is calculated in different ways based on the starting and stopping months, the location, what items are in it (e.g., food and energy costs are sometimes excluded because their prices are more volatile), and so forth. The Bureau of Labor Statistics overall Consumer Price Index for Philadelphia-Camden-Wilmington region increased in 2018-2019 by 2.1 percent.[4,5] The University reports that the mean increase in faculty base salary over the same period is 4.4 percent, which represents a noticeable gain in real living standards of 2.3 percent. As a comparison, the average increase across the US in real (hourly) wages was

2 *https://apps.finance.upenn.edu:44305/secure/budgetbooks/PDFs/FY20-University-Operating-Budget.pdf*

3 *https://home.www.upenn.edu/about/facts; retrieved December 17, 2019*

4 *https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_philadelphia.htm*

5 See Table 1. For full complement of publicly viewable data tables, visit the online version of this report at *https://almanac.upenn.edu/uploads/media/SCESF_full_report_2020.pdf*

1.5 percent. The average real wage increase (annual) for the life, physical, and social scientists occupational category, the single occupation that appears to map most closely to our overall faculty, was 0.8 percent in the US over the same period (a 2.4 percent "nominal" wage increase against 1.6 percent cost of living increase).

The most relevant comparisons, of course, are with the pay for other faculty elsewhere. The University provides us with two sets of comparisons. The first is based on data from roughly 57 other Universities who participate in the Association of American Universities Data Exchange, roughly half of which are State Universities. These data, reported in Table 4, show that Penn does quite well as compared to other Universities but that how well we do varies widely by School and Department: four of our Departments are ranked #1 out of 57 for Full Professor salaries (what appears to be base salaries) for the 16 other Universities reporting that data. On others, such as natural sciences, we do considerably worse, 13th on the list. We appear on balance to compare better on Full Professor comparisons than for Assistant Professors.

Against the Ivy Plus (including MIT, Stanford, and Chicago) Universities, we are roughly in the middle for Full Professor base salaries but near the top for Assistant Professors. Geography and perhaps cost of living differences appear to drive the relative positions, with rural schools paying less and those in more expensive urban areas paying more. For Assistant Professors, Penn comes out at the top when differences in cost of living are adjusted.

Arguably the most revealing information comes from the tables that reveal information about the distribution of salaries and the increases in them. Table 9 shows the difference between mean and median salary levels. The mean salaries are higher than the median because the distribution of salaries across faculty is skewed to the right: salaries above the median are further above it than the salaries below the median are from it. A few very high salaries could also produce this result. In Table 10, we see information on salary levels for the bottom and top quartile of the distribution and then for the interquartile range between those as compared to the median salary.

Tables 6, 7, and 8 present the quartile results by rank for 2018-2019 salary increases. Here we see that several schools—Annenberg School for Communication, Perelman School of Medicine, and School of Social Policy & Practice—gave all faculty at the Full Professor level the same increases. The Wharton School and the School of Engineering and Applied Science had the widest variance in salary increases. Why there are such differences across Schools is an interesting question. It would appear to be either because School administrators have different views about how increases should be determined or because there are larger differences in performance across faculty or other attributes in some schools than in others. We suspect the former is more important. The distribution of salary increases is more similar across schools at the Assistant Professor level. The variation in the level of salaries (Table 10) is greater than the variation in the increases in salaries, however, perhaps because the former represents years of annual increases.

Table 2 presents in detail on one important aspect of the distribution question, and that is: how many faculty got salary increases that did not keep up with inflation? In other words, how many saw their real salary decline? The answer is roughly eight percent, but here the results vary considerably across schools: from one-third in the School of Dental Medicine to "none" in the Law School, School of Nursing, and School of Social Policy & Practice. What accounts for this difference is not obvious. Because we do not have the data on average increases by school, we cannot tell to what extent the variation is accounted for by lower overall salary budgets versus administrative decisions.

Table 12 indicates some considerable progress in narrowing gender pay differences over time. The overall difference between male and female average base salary is due in part to the fact that men and women are not equally distributed across schools and fields. Women have historically been disproportionately represented in departments and schools that have lower salaries. The overall salary gap narrows considerably when the mean and median measures are adjusted to take out those differences: male Full Processors and Assistant Professors then earn only 0.09 percent more than their female colleagues, respectively, while female Associate Professors earn 1.4 percent more than their male colleagues. The University also shared with SCESF a regression analysis that controls for a wider range of attributes. The analysis finds a small gap (0.04 to 0.08 percent depending on the model) between the pay of men and women that is reported as not statistically significant. The data have not been updated in the model since 2015, however. Faculty with expertise in estimating these models have offered and continue to offer their help to the University in estimating these models.

VI. Issues of Concern and Recommendations from SCESF

In accordance with Faculty Senate policy, we present the following issues of concern and our recommendations to address these issues. We note the general point that in the absence of information to address questions about pay, those questions do not go away. Often we construct answers to them that are wrong and can be damaging. As an example, in the absence of information about the extent and amount of faculty stipends, members of this committee over the years have often assumed that the stipends were considerably more important—and more unequal—than the information we received this year suggests that they actually are. Receiving information typically resolves problems like these.

A. Expanding Economic Data Beyond Base Salary

Issue of Concern: As in previous years, we note that while faculty salaries are the preponderant form of faculty compensation, faculty compensation also comes from sources such as summer salaries, administrative stipends, performance bonuses, pay for additional teaching, and support from grants and contracts. Having some sense of what total compensation looks like would be enormously important in assessing the state of faculty compensation.

SCESF Recommendation: SCESF requests that data from the Provost's Office be expanded next year to include total compensation for faculty. We note that the University responded to this request in 2019 by saying that addressing this request had to wait until Penn's payroll system was updated. That happened in this year. Our understanding is that the updating is now complete.

Response:

The University acknowledges that the SCESF would like to expand its work to include additional information. The University requests that, in advance of its 2020 report, the Senate work toward a common understanding with the Office of the Provost regarding the data to be made available.

In response to requests by the Faculty Senate Tri-Chairs in FY18 and FY19 for "total compensation" data, the Office of the Provost began to explore the feasibility of providing the Faculty Senate with the additional data being requested. Following consultation with the Division of Human Resources and the Office of Institutional Research and Analysis, the Provost's Office notified the Faculty Senate Tri-Chairs that further exploration of its request must await the completion of the University's human capital management project. That project was launched in July 2019, but has not yet been fully implemented.

B. Assessing the Economic Status of the Entire Faculty

Issue of Concern: SCESF is charged with gathering and organizing data on academic salaries and benefits for the faculty and to represent the faculty in the determination of University policy on salary issues. This year, SCESF was provided academic base salary data for 1,327 Standing Faculty. We appreciate the University's help in understanding the fact that the total Standing Faculty compensation budget includes amounts for Clinician Educators, who comprise 1,022[6] out of the 2,753 Standing Faculty, a significant portion of Penn's overall Standing Faculty. Further, we do not have any information on the compensation of an additional 402 members of the (non-Clinician Educator) Standing Faculty. Together, these two groups total 1,426 Standing Faculty members, a majority group for which the Committee does not have compensation data. We believe that the Committee should represent the interests of the entire Standing Faculty. We suggest that the University work with the Committee next

6 Source: Email from Office of the Vice Provost for Faculty received by Faculty Senate Office on March 6, 2020.

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year to figure out how to represent the interests of this majority group.

SCESF Recommendation: To provide a more complete analysis of faculty salary and benefits, SCESF requests that data from the Provost's Office be expanded next year to include the academic base salary for all Standing Faculty, subject to the standard exclusion of deans and faculty members in phased retirement. SCESF again requests the PSOM Standing Faculty data to analyze along with data from every other School at Penn.

Response:

As noted above, SCESF would like to expand the scope of what traditionally has been its work. The SCESF should continue its work to reach an understanding with the Office of the Provost concerning the data to be made available for this report.

Academic base salary data for the majority of the Standing Faculty has been made available to the SCESF for many years. Based on fall 2019 data, there were 1,022 Standing Faculty on the CE track and 1,729 on the tenure track.[7] A majority of CE faculty are based in the Perelman School of Medicine where their compensation packages typically include three components: (1) a published minimum base salary for a faculty member's academic rank; (2) a base salary supplement, also called an "adjusted base salary," that is the result of highly individual arrangements to respond to specific needs; and (3) clinical income tied to patient care-related responsibilities and performance. Rigorous processes in the departments and PSOM promote internal equity and national competitiveness with respect to components (2) and (3).

7 In an email from Office of the Vice Provost for Faculty received by the Faculty Senate Office on May 9, 2020, SCESF learned that the "Facts" page (*https://home.www.upenn.edu/about/facts*, accessed May 9, 2020) provides outdated Fall 2018 numbers under the heading of "Faculty (Fall 2019)." SCESF understands that the page has since been updated.

Members of the 2019-2020 SCESF Committee

Jennifer Blouin, Wharton/Accounting
Peter Cappelli, Wharton/Management, *(Chair)*
Dennis Culhane, Social Policy and Practice
Blanca Himes, PSOM/Biostatistics, Epidemiology, & Informatics
Sarah Kagan, Nursing
Iourii Manovskii, SAS/Economics
Ex Officio:
Kathleen Hall Jamieson, Annenberg, Faculty Senate Chair-Elect
Steven Kimbrough,Wharton, Faculty Senate Chair
Jennifer Pinto-Martin, Nursing, Faculty Senate Past Chair

The Committee gratefully acknowledges the additional information provided in response to SCESF requests by the Offices of the Provost, Institutional Research and Analysis, and Budget and Management Analysis.

VII. Tables

The full report of the 2019 SCESF, including numerous Tables and the Responses from the Administration, can be found online at *https://almanac.upenn.edu/uploads/media/SCESF_full_report_2020.pdf*

Report of the Senate Committee on Students and Educational Policy (SCSEP)

Background

The Committee oversees and advises the Executive Committee on matters relating to the University's policies and procedures on the admission and instruction of students, including academic integrity, admissions policies and administration, evaluation of teaching, examinations and grading, academic experiences, educational opportunities (such as study abroad), student records, disciplinary systems, and the campus environment/climate. In general, the Committee deals with the matters covered by the following section of the University's Handbook for Faculty and Academic Administrators: IV.

Campus Climate: Student Mental Health and Wellbeing have been SCSEP's focus for several years. We received a briefing from Penn's Chief Wellness Officer (CWO), Dr. Benoit Dubé (appointed July 2018) and the progress his team and he have made during his second year of building mental health and wellbeing support and access for students, including an expansion of services provided by Counseling and Psychological Services (CAPS). We inquired about ways in which we might transform what some see as a toxic campus climate to one that fosters a greater sense of community and provides a range of emotional and psychological mechanisms for building resilience and thriving at Penn without assuming a "Penn Face" as the only strategy. We were interested in examining wellness both as a serious mental illness challenge and as a multi-faceted problem with a potentially wide array of programming and educational solutions. In retrospect wellness could not have been a more appropriate focus for the committee: the year began with the death by suicide of CAPS Director Dr. Gregory Eells and ended with the campus shutdown, early move-out, and transition to remote learning by students prompted by the COVID-19 pandemic in March 2020.

2019-2020 SCSEP Specific Charges

1. Review and comment on issues related to the roll-out of enhanced access to behavioral wellness services.

2. Review and comment on issues related to College Houses & Academic Services (CHAS) and their roles in providing student wellness services, especially with respect to the implementation of the Second Year Experience on-campus housing requirements.

3. Review and comment on issues related to Penn Global initiatives and their role in supporting student learning, global understanding, and global engagement, as well as support provided to students while studying abroad.

These charges were modified in March 2020 to address the mechanisms newly created and already in place to support students when campus closed after spring break in response to the COVID-19 pandemic.

Report

Addressing student mental health and wellness has been a priority for SCSEP since September 2015. SCSEP is satisfied with the University's progress toward meeting the mental health needs of Penn students, illustrated by the July 2018 appointment of Dr. Dubé as CWO, the Let's Talk informal counseling program, the expansion of CAPS, and other initiatives this year. In 2018-2019, SCSEP recommended greater faculty involvement in promoting wellbeing and a critical review of academic policies and practices that impacted student wellness. With the onset of the COVID-19 pandemic, many of these policies and practices—including mindfulness about student wellbeing, allowing for a student to elect a pass/fail grading option, urging faculty to create the best possible environment for course completion, exam scheduling, and so forth—were prioritized by Deans in communicating with faculty once learning went remote. The sheer challenge of moving instruction online revealed, in ways that might not have been obvious in regular circumstances, how challenging life and learning can be for so many of our resource-limited or "first generation, low income" (FGLI) students. How effective these recommendations were in supporting student wellbeing must be evaluated in the coming year. SCSEP should include in our evaluation two factors: the longer-term concerns of student sharing of medications and the impact of social media on heightened levels of social and classroom anxiety which were noted in our 2018-2019 report.

Our purpose this year was initially to expand our inquiry into other mechanisms that might exist, or be transformed in purpose, to enhance student wellbeing on campus. This included inquiry into a variety of new and existing campus programs: the Sachs Program for Arts Innovation

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